



STAFF REPORT

Meeting Date: June 5, 2017

Agenda Item #: 9c

TO: Mayor and Town Council
FROM: Bonnie Bray, Finance Director
THRU: Susan Parker, Town Administrator
TITLE: **FY17 auditor contract**
ATTACH: Proposal

Summary: Town Council approval is required for annual public audit contracts.

Background: Due to underperformance by Thompson, Price, Scott, Adams & Company during execution of the FY15 and FY16 public audits, it would be difficult to contract with the firm again for the FY17 audit, despite an expected three-year arrangement.

Discussion: Proposals were solicited recently from nine area CPA firms; only three were received, due to a dwindling number of auditors in Brunswick County and Wilmington who perform public audits. Proposals made by Thompson, Price and S. Preston Douglas & Associates, LLP, were competitive, at \$17,500 and \$18,500, respectively. (At more than twice these rates, the third proposal was cost prohibitive.) Preston, Douglas further committed to a fee of \$19,000 for the next two years.

Fiscal/Policy Implication(s): Considering the difficulties experienced with completion of the FY16 audit conducted by Thompson, Price, the additional \$1,000 to contract with Preston, Douglas for the FY17 audit would be money well spent.

Legal Implication(s): None.

Recommendation: Staff recommends the Town Council approve the proposal from S. Preston Douglas & Associates, LLP, to conduct the FY17 public audit.